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Act requirements fulfilled by FERC. The ALP also allows FERC staff greater latitude in providing policy guidance to participants during the collaborative process. FERC in fact becomes a stakeholder, with the ability to bring special insights and valuable knowledge to the collaborative process and

assist participants in fashioning a sustainable plan.

PUBLIC PARTICIPATION

The FERC relicensing process designed by DWR is open to the public and broad participation is encouraged. Within this process, DWR will engage

collaboratively with federal and state resource agencies, Indian tribes, local organizations, non-governmental organizations, and the public. DWR believes that the ALP offers the best opportunity to obtain input and feedback from a broad array of interests in an atmosphere of cooperation and trust.

Relicensing Terms - Helpful Definitions to Know

Federal Energy Regulatory Commission (FERC): A federal commission whose members are appointed by the President of the United States and confirmed by the U.S. Senate. The FERC was established originally to oversee non-federal hydroelectric developments as a result of the Federal Power Act of 1920. Since that time, FERC's role has expanded to include oversight of other interstate energy facilities such as gas and oil pipelines

and powerlines for the transmission of electricity.

FERC license: A license issued by the FERC to a non-federal operator of a hydroelectric development. Licenses include numerous safety and environmental requirements the licensee must follow over the term of the license, which is typically 30 to 50 years. Several years before an existing license expires, the holder of the license must apply to the FERC for a

new or 'subsequent' license.

Project: The portion of a hydroelectric development that is included in the terms of a FERC license. Typically, the dam, powerhouse, transmission equipment and reservoir with surrounding natural resource lands are included in the license and are identified by the FERC with a specific project number. For example, the Oroville Facilities is identified as 'Project Number 2100.'

FERC and DWR in the Relicensing Process

FERC RESPONSIBILITIES

FERC must evaluate and balance the various public interest issues to ensure optimum utilization of the waterway for beneficial public purposes. In addition, FERC must also find that the licensee:

- can comply with the terms and conditions of a new license,
- can manage and operate the project safely,
- can operate the project to provide efficient and reliable service,
- can demonstrate its need for project power,
- has adequate existing and proposed transmission facilities,
- will operate and maintain the project in a cost-effective manner,
- can demonstrate a record of compliance with the terms and conditions of the existing license, and
- has considered the public in actions taken relating to the existing license.

DWR RESPONSIBILITIES

The licensee must demonstrate that it can comply with FERC's criteria. To do this DWR will engage the public, state and federal agencies, Native American tribes, and other stakeholders in a multi-year process designed to develop comprehensive plans to address issues including:

- hydroelectric development,
- energy conservation,
- fish and wildlife resources,
- recreational opportunities,
- cultural resources,
- socioeconomic,
- other aspects of environmental quality and land-use,
- irrigation,
- flood control, and
- water supply.

Welcome!

Welcome to the inaugural issue of the Oroville Facilities Relicensing Newsletter. Please join us in participating in the most comprehensive environmental reviews ever done in the Oroville area... the relicensing of the Oroville Facilities (Federal Energy Regulatory Commission Project No. 2100). This newsletter is one of the key communication tools to help keep you informed during relicensing. Public participation in this process is critical, therefore your comments and input are not only welcome, but encouraged.

GET ON THE LIST!

The Newsletter is a free publication. If you'd like to be added to our mailing list, please contact us via e-mail or phone.

Toll-free number: 1-866-820-8198

E-mail: orovillep2100@water.ca.gov

STAY INFORMED!

Visit the project web site at <http://OrovilleRelicensing.water.ca.gov> to find continually updated information including relevant documents, a calendar of upcoming meetings, and summaries of past meetings.



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Map of Oroville FERC Project 2100 Boundary

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DEPARTMENT OF WATER RESOURCES

OROVILLE FACILITIES RELICENSING

Federal Energy Regulatory Commission Project No. 2100

Vol. 1, June 2001

Oroville Facilities - Part of California's Water History

CONSTRUCTION HISTORY

After World War II, increasing population and agricultural demands exceeded California's developed water supplies. In the 1950's the State Legislature approved development of the water resources of the Feather River watershed

(including a dam near the City of Oroville), and construction of a water system that would provide additional water supplies. Development and administration of these plans was vested with the Department of Water Resources (DWR).

THE 1955 FLOODS

During the winter of 1955, northern and central California experienced the greatest floods of record. The floods caused more than \$200 million in

property damages and took 64 lives, mostly in Sutter County. Since the proposed Feather River Project would help control such floodwaters, the State moved quickly and appropriated funds to begin construction of the Oroville Facilities in 1957.

CONSTRUCTION - 1957 TO 1971

Construction of the Oroville Facilities on the Feather River began in 1957 and was completed in 1971. Oroville Dam, at 770 feet the tallest dam in the United States, took nearly seven years to construct with a final cost of \$135.3 million. Even



Construction of Oroville Dam, 1964

before the project was completed, Oroville Dam proved its worth to the region. The partially-completed dam helped save lives and property during the floods of 1964. While Lake Oroville meets important water supply and flood control needs, other benefits of the reservoir include recreation, fish and wildlife enhancement, and power generation.

Today, the Oroville Facilities include Lake Oroville, Oroville Dam, three powerplants (Edward Hyatt Powerplant, Thermalito Diversion Dam Powerplant, and Thermalito Pumping-Generating Plant), Thermalito Diversion Dam, the Fish Barrier Dam, the Feather River Fish Hatchery, Thermalito Power Canal, Thermalito Forebay, and Thermalito Afterbay.

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Oroville Facilities and the State Water Project

The Oroville Facilities represent a key component of the State Water Project (SWP), a water storage and delivery system of reservoirs, aqueducts, power plants and pumping plants stretching from Butte County in northern California to Riverside County in the south. Maintained and operated by the DWR, the SWP is one of the largest water and

power systems in the world. The SWP is designed to store and distribute water to 29 urban and agricultural water contractors that supply water users in northern California, the San Francisco Bay Area, the San Joaquin Valley, the central coast, and southern California. With a capacity of 3.5 million acre-feet, Lake Oroville is the largest and most important storage facility for the SWP. The water conserved in the reservoir is used beneficially for a

variety of purposes, including irrigation, municipal and industrial use, and environmental needs. The SWP is operated to improve water quality in the Delta, control Feather River flood waters, provide recreation, and enhance fish and wildlife. The control and release of water from the Oroville Facilities is made in response to flood control, environmental, power generation and water supply criteria.

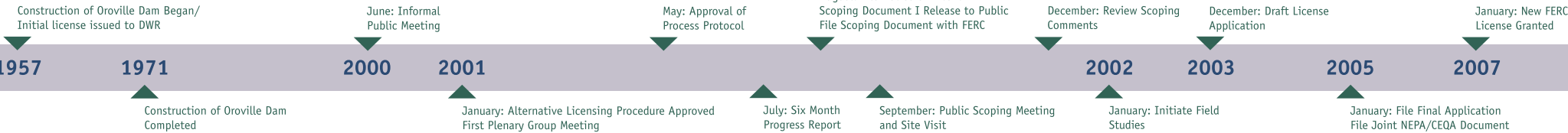
Balancing Beneficial Uses of Public Resources and Interests

DWR operates the Oroville Facilities under a license originally issued in 1957 by the Federal Power Commission, predecessor to the Federal Energy Regulatory Commission (FERC). The original license expires January 31, 2007. DWR must file an application for a new license with FERC by January 31, 2005. The regulatory relationship between FERC and DWR is complex (see page 5, *FERC and DWR in the relicensing process*). In simplest terms, FERC must evaluate and balance the various public interest issues to ensure optimum utilization of the Feather River for beneficial public purposes. But what does this mean? When the FERC receives an application for a new license, it reviews and evaluates the application within the

procedural framework of the National Environmental Policy Act and according to a set of nine factors established by the Electric Consumers Protection Act. The nine factors serve as the basis for a determination of whether a project is best adapted to a comprehensive plan for the waterway and in the public interest. The nine factors include consideration of the applicant's record of compliance, whether the applicant can comply with terms and

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Oroville Facilities Relicensing Schedule



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conditions of a new license, can manage and operate the project safely, and provide efficient and reliable service in a cost-effective manner.

The First License

With the 1955 floods fresh in the

public memory, licensing for the construction of Oroville Dam focused on the development of water resources and the need to provide flood protection. There was then, as there is today, a keen public interest in developing the water resources associated with the Oroville Facilities, into economically beneficial recreation assets.



Governor Edmund G. Brown California Aqueduct

TODAY

The backdrop against which the new license is being crafted is considerably different from that of the initial license, issued over 40 years ago. Environmental, cultural, recreational, and community interests are more organized and involved today than they were before. Furthermore, environmental regulations have been enacted on both the state and federal level since initial project licensing. These regulations, notably the Endangered Species Act, National Environmental Policy Act and the California Environmental Quality Act, have already affected facilities operation and will have an impact on the relicensing process.

PUBLIC PARTICIPATION

Today's licensing effort is designed to balance the various environmental, recreational, and cultural resources and interests involved with the Oroville Facilities. Stakeholders are collaborating with DWR to help craft the new license application. Each participant has an opportunity to help shape the new license into a tool that will address community and statewide concerns throughout the next license term.

DWR's Approach to Relicensing

Until the early 1990's there was only one method available to a licensee for preparing an application for either a new or existing hydropower facility. This structured process provided little opportunity for public involvement until the latter stages of environmental review conducted by FERC. But times have changed and for this relicensing effort, DWR had numerous options available. Recognizing the value of early and meaningful stakeholder participation in the relicensing process, DWR chose an Alternative Licensing Procedure (ALP) as the preferred approach. How does this ALP approach differ from the traditional approach? The main difference is in the extent and timing of collaboration with relicensing participants, including FERC, and the sequencing of environmental review processes.

TRADITIONAL LICENSING

The Traditional relicensing process incorporates specific steps to prepare and file a license application. Under this process a licensee consults with the appropriate

federal and state resource agencies to identify needed studies and incorporates information from completed studies into a license application. The application is then submitted to the FERC which performs an independent environmental and engineering review of the project. During this review, resource agencies, Indian tribes, the public, and the licensee can provide comments. What public involvement there is occurs late in the process and only after resource-related negotiations have been completed.

ALTERNATIVE LICENSING PROCEDURE

ALP enables the licensee and participants to collaboratively design the consultation process for the relicensing task. Through the collaborative process, the ALP encourages greater public involvement and provides the opportunity for participants to tailor the process to address specific issues and streamline procedural compliance with multiple federal laws. The ALP also allows for concurrent environmental review to occur by integrating traditional pre-filing consultation with some of the National Environmental Policy

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Oroville Dam spillway, January 2, 1997